

Quarterly Update: 1 October to 31 December 2022¹

The Office of the Commonwealth Ombudsman’s (the Office) role as the VET Student Loans Ombudsman commenced on 1 July 2017. We assess complaints about the former VET FEE-HELP scheme and the current VET Student Loans program.

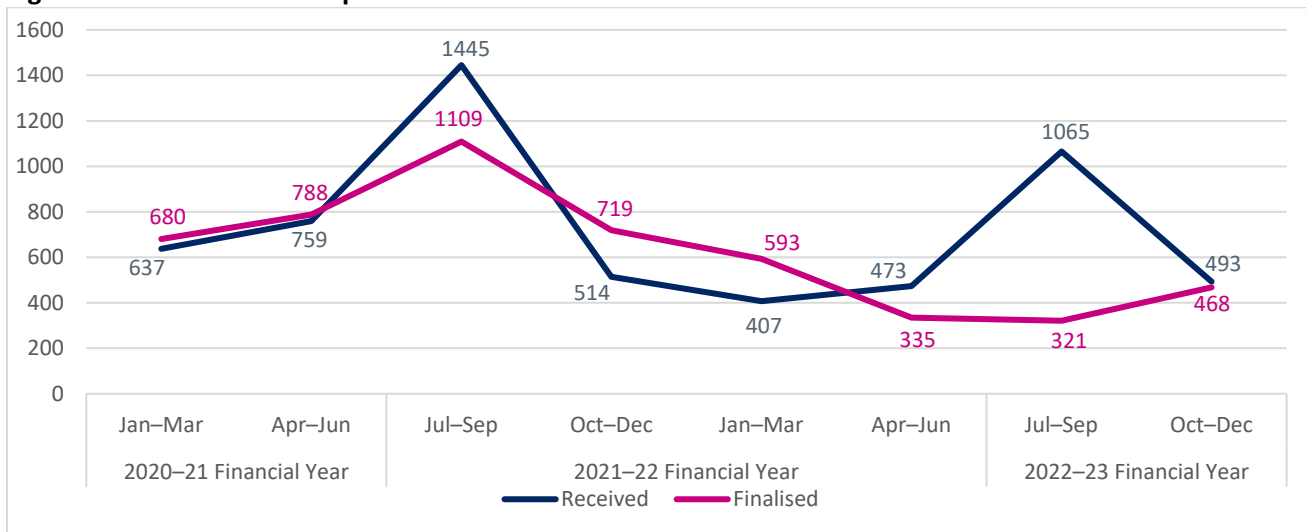
VET FEE-HELP

Between 1 October and 31 December 2022, the Office received 493 VET FEE-HELP complaints. This was broadly consistent with the same period last year (514 complaints).

During this quarter, we finalised 468 complaints, which was a 35 per cent decrease compared to the 719 complaints we finalised in the same period last year. The current caseload includes a high proportion of complaints about providers who are still operating (49 per cent), these types of complaints are more complex and take longer to finalise.

On 19 December 2022, the Office had 2,315 open VET FEE-HELP complaints, a 46 per cent increase compared to 1,590 open complaints on 31 December 2021. The Office is progressing assessments to finalise these outstanding VET FEE-HELP complaints by 30 June 2024.

Figure 1: VET FEE-HELP complaints received and finalised

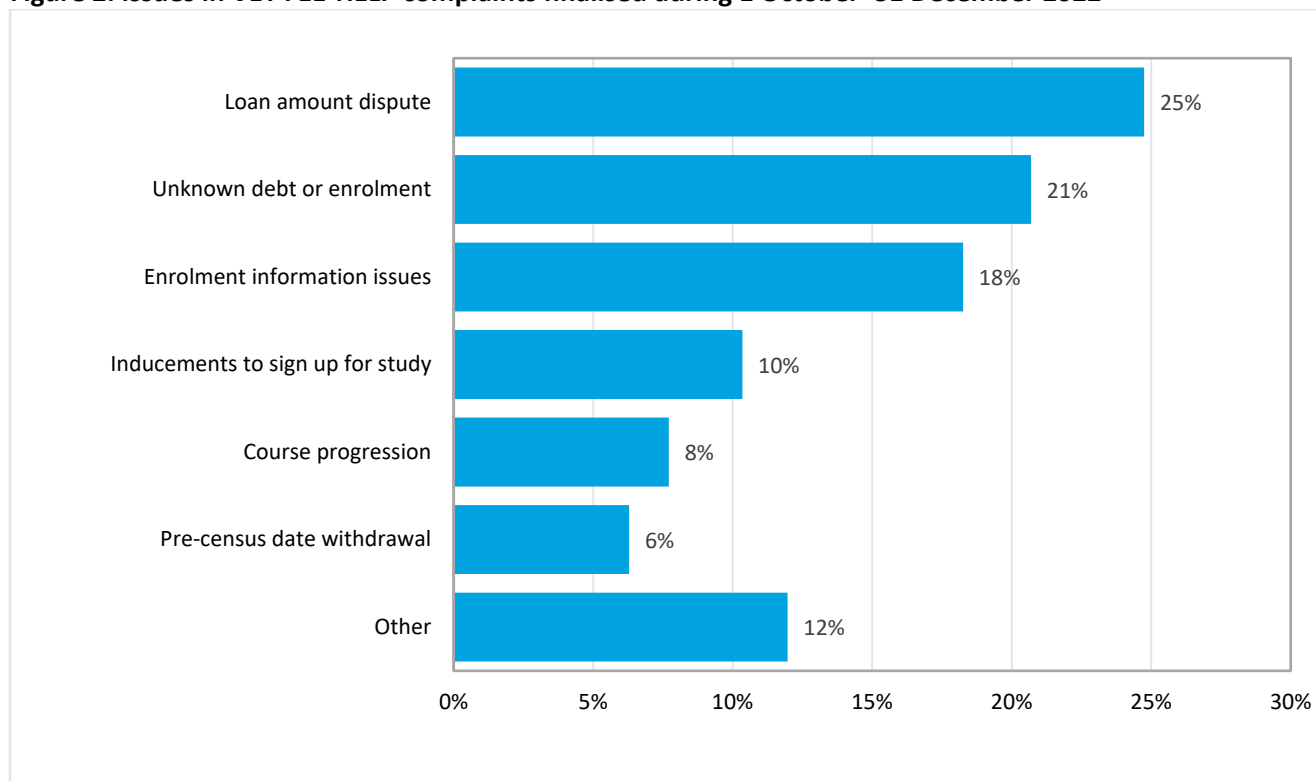


¹ At time of publication, data provided for the period 1 October to 19 December 2022.

VET FEE-HELP complaint issues

Figure 2 shows the type and percentage of all issues we identified in the VET FEE-HELP complaints finalised during the quarter.

Figure 2: Issues in VET FEE-HELP complaints finalised during 1 October–31 December 2022



VET FEE-HELP Student Redress Measures ending 31 December 2023

The [Student Redress Measures](#) (SRMs) will close to new complainants from 1 January 2024, which means that people who have an inappropriate VFH debt have until 31 December 2023 to make a complaint with the Office and have it assessed under the Student Redress Measures.

A person may not be aware of their VET FEE-HELP until they interact with the tax system or start paying their debt after an increase in income.

A key part of discussions between the Office and DEWR has been raising public awareness of the need for individuals to check their VET FEE-HELP debt status before the SRMs expire. Currently this is done through social media campaigns, outreach to financial counsellors and charitable organisations, signage at Services Australia offices and messaging on various consumer and fair trading information sites.

Since the SRMs commenced on 1 January 2019 (as of 31 December 2022), the Office has recommended the re-credit of VET FEE-HELP debts for 12,227 complaints, comprising 67,595 units of study. The total value was \$190.31 million, comprising \$158.75 million in tuition fees and \$31.55 million in loan fees.

VET Student Loans

Between 1 October and 31 December 2022, the Office received 41 complaints about VET Student Loans approved course providers. This was a small increase compared to the same period last year, when we received 36 complaints. Figure 3 shows the number of complaints the Office received about VET Student Loans providers during each quarter since 1 July 2020.

Complaints to the Office include complaints about operating providers and those that have stopped trading. Our approach to handling complaints may vary according to the provider’s trading status. If the provider is operating, usually the complainant will need to complete the complaints process with their provider before the Office will assess the complaint.

Figure 3: VET Student Loans complaints received

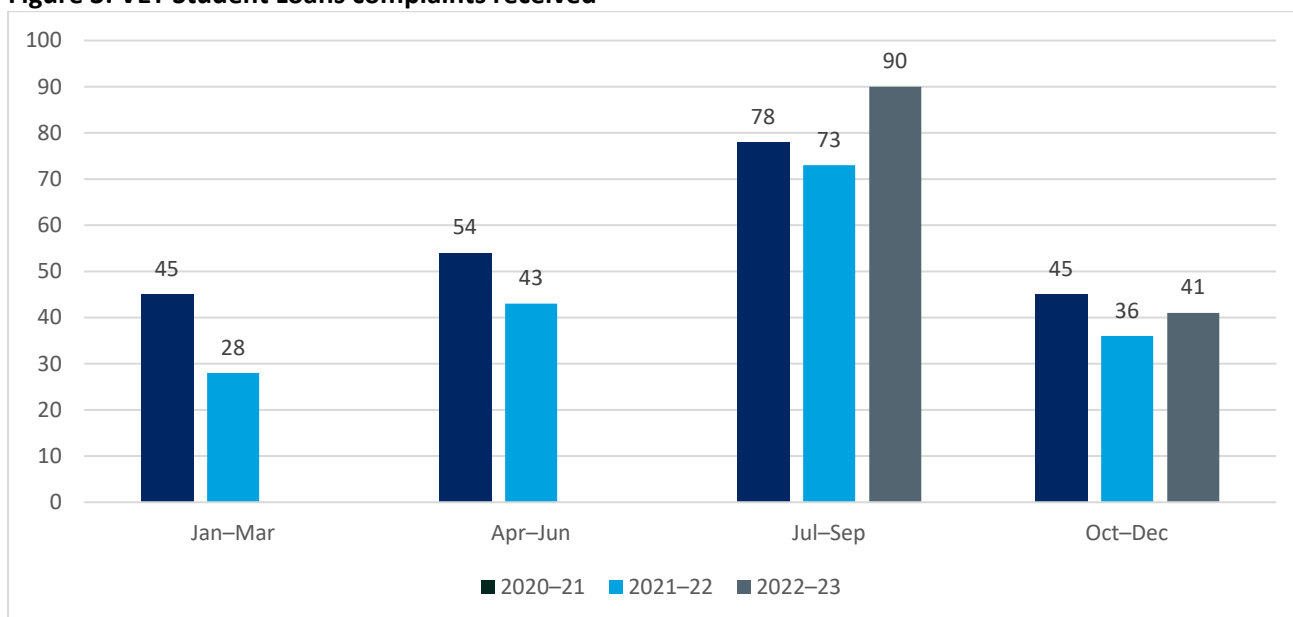
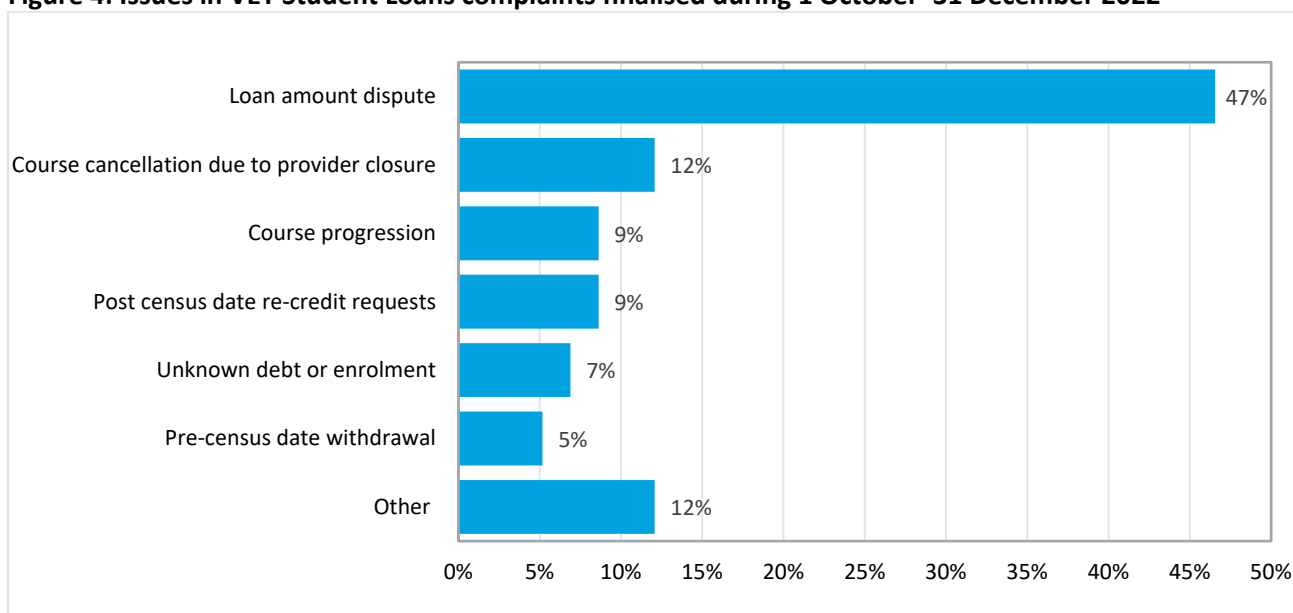


Figure 4 shows the issues identified in the VET Student Loans complaints the Office finalised during the quarter.

Figure 4: Issues in VET Student Loans complaints finalised during 1 October–31 December 2022



Historic VET Loan Assistance records appearing on Australian Tax Office (ATO) records

In August 2022, a DEWR IT system update resulted in some historical VET FEE-HELP and VET Student Loans records appearing on student's ATO records. All impacted students were contacted by DEWR in September 2022, and again in November 2022. Further information is available on DEWR's website, [here](#).

Case Study

This case study is about whether someone is a genuine student.

Chloe was enrolled in a Diploma course using a VSL when, shortly after her first census date, she requested to suspend her studies due to a change in her personal circumstances. This was approved.

When Chloe was due to return, her provider attempted to contact her, but Chloe did not respond. Her provider also triggered an eCAF progression form which Chloe did not respond to. The provider's suspension and cancellation policy outlined that it may cancel an enrolment if a learner does not acknowledge a progression point after a two-week cut off.

The provider informed Chloe that her enrolment would be cancelled, however they did not progress her cancellation for another two months, after Chloe had failed to respond to a second eCAF progression form. When the provider eventually cancelled Chloe's enrolment, 3 census dates had passed.

Chloe did not think she had a VET Student Loan debt as she had stopped attending her course early and was not engaging with the provider. She discovered her debt when looking at her taxation records.

During the Office's investigation, the provider explained that to their understanding, they did not have the ability to cancel a VSL loan on behalf of a student. They thought this could only be done by the government after a student failed to respond to two progression points. The provider also advised the Office that there was evidence of Chloe engaging in the course before she suspended her studies.

The Office considered that Chloe was not a genuine student for part of her enrolment as, after her scheduled return from suspension, she did not:

- re-engage in the course
- respond to any contact attempts by the provider, and
- complete the progression form.

The Office determined the provider should have known that Chloe was not genuinely engaged in study after her scheduled return date and should therefore re-credit Chloe's debt after the first census date. The Office also advised the provider it was not required to wait two progression points before processing a cancellation.

Information for providers – helping students to complain

Some students may struggle when making a complaint to their education provider. They may have difficulty understanding the provider's process or knowing the best way to share their information.

To assist students, we have developed a factsheet which gives guidance and tips on making effective complaints. This factsheet is available on our website: [How to make an effective complaint](#)

Education providers have a responsibility to have an accessible complaint handling process in place. Sharing this factsheet with students may help providers to meet these responsibilities.

Further information and tips on effective complaint handling for providers can be found in our [Better Practice Complaint Handling Guide](#).

Data and glossary of terms

Refer to [Data and glossary summary VET Student Loans Ombudsman quarterly updates](#) for definitions of complaints, issues and other terms.

The quarterly data in this update covers the period 1 October to 31 December 2022 (figures represent data provided up to 19 December 2022). Our data is dynamic and may be updated if new information comes to light. For this reason, there may be minor differences in data when compared to what was reported in the last quarterly update. Previous quarterly updates are available on the Ombudsman's [website](#).